Memorandum of Understanding
Between The
Minerals Management Service
and the
United States Coast Guard

I. Purpose:

This Memorandum of Understanding (MOU) defines the responsibilities of the Minerals Management Service (MMS) and the United States Coast Guard (USCG). The jurisdictional area covered by this MOU is the Outer Continental Shelf (OCS) except for oil-spill preparedness and response functions that are seaward of the coast line. An MOU, dated February 3, 1994, among the Departments of Transportation and the Interior, and the Environmental Protection Agency established jurisdictional responsibilities for facilities located both seaward and landward of the coast line.

This MOU will minimize duplication and promote consistent regulation of facilities in the offshore. This MOU does not apply to deepwater ports as licensed by the Secretary of Transportation under the Deepwater Port Act of 1974, as amended.

II. Definitions:

For purposes of this MOU, the following definitions apply:

Act - The OCS Lands Act (OCSLA) of 1953 (43 U.S.C. 1331 et seq.), as amended by the OCSLA amendments of 1978 (Pub. L. 95-372).

Coast Line - The line of ordinary low water along that portion of the coast which is in direct contact with the open sea and the line marking the seaward limit of inland waters, as defined by the Submerged Lands Act (43 U.S.C. 1301 (c)).

Mobile Offshore Drilling Unit (MODU) - A vessel capable of engaging in drilling operations for exploring or exploiting subsea resources of oil, gas, or minerals. An MODU is also classified as a facility when engaged in drilling or downhole operations.

OCS - The submerged lands which are subject to the Act.

OCS Activity - Any activity in the OCS associated with exploration, development, production, transporting, or processing of OCS mineral resources including but not limited to oil and gas.

OCS Facility - Any artificial island, and installation or other device permanently or temporarily attached to the sea bed, erected for the purpose of exploring for, developing, or producing resources from the OCS. This term does not include ships or vessels on the waters above the

OCS used for construction or conveyance in support of OCS activities, or in uses of these waters unrelated to OCS activities. The following are types of OCS facilities:

1. Fixed OCS Facility - A bottom founded OCS facility permanently attached to the seabed or subsoil of the OCS, including platforms, guyed towers, articulated gravity platforms, and other structures. This definition also includes gravel and ice islands and caisson retained islands engaged in OCS activities used for drilling, production, or both.

2. Floating OCS Facility - A buoyant OCS facility securely and substantially moored so that it cannot be moved without a special effort. This term includes tension leg platforms, spars, and permanently moored semisubmersibles or shipshape hulls but does not include MODUs solely engaged in drilling activities.

3. OCS Terminal - Any facility or vessel located on the OCS which is designated for use as a port or terminal for transferring OCS mineral resources or hydrocarbons from other sources to or from a vessel. This includes OCS facilities and their associated pipelines licensed by the Secretary of Transportation under the Deepwater Port Act of 1974.

OPA - The Oil Pollution Act of 1990 (Pub. L. 101-380).

Person - A natural person, an association, a State, a political subdivision of a State, or a private, public, or municipal corporation.

Production Facility - Any OCS facility designated by the lessee of an OCS lease for the purpose of producing, transporting, processing, or supporting the production of the mineral resources. This definition also includes gravel and caisson retained islands engaged in any OCS activities even though they may be used for purposes other than producing, transporting, processing, or supporting the production of OCS mineral resources.

Regional Director (RD) - The MMS officer delegated the responsibility and authority for a region within MMS. The USCG referrals for violations occurring in a particular MMS Region would be made to that MMS Region's RD.

Regional Supervisor (RS)- The MMS officer (or the authorized representative) in charge of operations with a region.

Vessel - Every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on the water. This term does not include atmospheric or pressure vessels used for containing liquids or gases.

Violation - Failure to comply with the OCSLA, with any regulations, or the terms or provisions of leases, licenses, permits, or rights-of-way issued under the OCSLA.

III. Responsibilities:

The responsibilities in section III are organized as follows:

- Table A lists MODUs;
- Table B lists fixed facilities; and
- Table C lists floating systems.

A. MODUs	MMS	USCG
1. Design and construction		1
2. Structural integrity & modification & repair requirements		2
3. Stability & buoyancy in transit and operation		3
4. General arrangement		4
5. Cranes, booms, elevators, handling equipment (includes BOP handling)		5
6. Electrical system design and equipment & classified area designations		6
7. Permanently installed boilers, pressure vessels, piping, & machinery not covered by MMS		7
8. Mooring systems design, rating, & compatibility-not site-specific		8
9. Helicopter deck installations, including refueling facilities and operations		9
10. Pollution prevention systems (33 CFR 151-156)		10
11. Firefighting for systems under USCG authority		11
12. Structural inspection		12
13. Safe welding and burning procedures on structural members		13
14. Transferring materials and personnel by crane or other- on or off facility		14
15. Well-control equipment - surface and subsurface	15	
16. Safety systems required by MMS	16	
17. Emergency shutdown systems	17	
18. H2S equipment and control, gas detection systems, worker protection (not fire related)	18	
19. Subsea completions	19	
20. Gas detection systems	20	
21. Containment systems for overflow	21	
22. Well or production related pressure vessels and piping	22	
23. Pollution prevention and equipment (not vessel transfers)	23	
24. Administrates a shut down of a facility	24	

B. Fixed facilities:	**MMS**	**USCG**
1. Fire protection- structural (quarters, bulkheads, decks, escape routes, testing & material classification; fire detection, control & extinguishing systems; equipment & helicopter deck & refueling facilities. Fire fighting for structural systems not in #2 below		1
2. Fire protection systems (deluge & sprinkler in well bay areas, detectors, and fire loop in wellhead production area and quarters).	2	
3. Dehydration equipment and gas compressor units used in production	3	
4. Occupational health and workplace safety		4
5. Evacuation procedures and escape routes		5
6. Lifesaving systems and equipment		6
7. Ventilation system requirements		7
8. General alarms		8
9. Personnel protection equipment (not H2S)		9
10. Living quarters		10
11. Communications		11
12. Navigation & obstruction lights and sound signals		12
13. Review design, fabrication, and installation	13	
14. Verify site specific considerations	14	
15. Well-control equipment - surface and subsurface	15	
16. Safety systems	16	
17. Emergency shutdown system	17	
18. Wellhead, flowline, pipeline, & well test equipment includes safety valves & pressure sensors	18	
19. H2S equipment and control, gas detection systems, worker protection (not fire- related)	19	
20. Piping systems (production and related) includes incoming and departing	20	
21. Pumps used to transfer liquids within the production systems & into pipes	21	
22. Odorant treatment of gas piped into enclosures	22	
23. Subsea completions	23	
24. Gas- detection systems (drilling, production, gas-transmission or equipment)	24	
25. Sale and metering equipment for production of oil, gas & sulphur	25	
26. Containment systems for overflow from drilling and production equipment	26	
27. Vessels (pressure, atmospheric, & fired) and piping- drilling and production	27	
28. Well-head and platform removal	28	
29. Drilling, workover, completion, well-servicing (includes well-control)	29	
30. Pollution prevention and equipment (not vessel transfers)	30	
31. Safe welding, burning and hot tapping	31	
32. Pipeline operations - associated with the facility	32	
33. Emergency egress procedures (includes lifesaving & emergency equipment)		33
34. Explosive, radioactive & flammable (not hydrocarbon) material handling, transferring & stowage (& other HAZMATS)		34
35. Petroleum and other product transfer (to & from a vessel)		35
36. Vehicle and vessel operations		36
37. Diving operations and equipment		37
38. Administrates a shut down of a facility	38	
39. Investigation lead for collisions, deaths, injuries		39
40. Structural integrity, modification, and repair requirements	40	
41. Electrical system design and equipment	41	
42. Engine exhaust insulation and spark arrestors	42	
43. Material handling equipment (including cranes and booms)	43	

C. Floating OCS systems

Table C lists the responsibilities for floating OCS systems:

MMS	MMS/USCG	USCG
Production equipment (including risers & turret)	Design of turret hull interface & fabrication of turret & turret hull interface	
Fire detection - production & drilling areas Fire extinguishing - well bay gas &/or H2S detection in all areas	System interfaces for non-independent fire detection and fire extinguishing systems	Fire Protection & Response For All Other Areas Fire Detection-Remainder of Vessel/Facility
Site specific considerations (including geotechnics	TLP tendons & mooring systems of other floating production systems	
TLP foundations	Hull structure for TLP, SPAR, & hybrid	Hull structure-shipshape FPS Accommodations-all types Structural fire protection for all types
	Hazardous areas & general arrangement	
	Design Environmental Conditions (DEC) Station keeping - DP vessels	Stability for all types
	Design operating conditions	
		Non-production machinery/ electrical systems
		Lifesaving equipment [MODU or tankship requirements]
		Helicopter facilities (MODU regulations)

TLP- Tension leg platform
DP - Dynamically Positioned

IV. Civil Penalties

A. The USCG reports violations of OCSLA statutes or regulations which may result in civil penalty action to MMS by using the Compliance Review Form, MMS-129. The USCG will investigate and document OCSLA based violation cases according to the procedures in 33 CFR 140.40 with the following clarification:

1. The cognizant Officer in Charge, Marine Inspection (OCMI) provides the violator written notice of the violation and establishes a reasonable time for the violator to correct the violation. However, a violation that constitutes a threat of serious, irreparable, or immediate harm does not need a time for correction before the OCMI proceeds with a civil penalty recommendation. For violations which do not constitute a threat of serious, irreparable, or immediate harm, the OCMI may consult the MMS RD to establish reasonable corrective times, particularly on matters in which MMS has expertise or knowledge of industry practice.

2. If the appropriate time to file an appeal has past, and the violator has not filed an appeal with the appropriate USCG official, pursuant to 43 USC 1348(a), the OCMI provides the MMS Regional Civil Penalty Coordinator with the following information:

I. The case file, which consists of a summary of the investigation and a USCG determination of the regulations violated.

ii. A description of the seriousness of violation and any incidents actually associated with the violation.

iii. If requested, additional information concerning the merits of a civil penalty action. All physical evidence remains with the USCG, but available to MMS upon request.

3. If the violator files an appeal, the USCG will forward the case to MMS after the USCG Hearing Officer issues a final decision on the appeal.

4. Upon receipt of the violation report, the MMS Regional Civil Penalty Coordinator will appoint a Reviewing Officer (RO) who will process the report in accordance with the MMS OCS Criminal/Civil Penalties Program Guidebook.

5. Notification of the MMS RO's decision regarding the civil penalty assessment, collection, compromise, or dismissal shall be provided to the OCMI originating the violation report.

V. Pollution responsibilities

A. Certificates of Financial Responsibility (COFR):

1. The MMS issues Certificates of Financial Responsibility (COFR) for all facilities seaward of the coast line. The MMS COFR ensures that lessees possess adequate oil spill financial responsibility for the clean up and damages from oil discharges resulting from oil exploration and production facilities and the associated pipelines.

2. The USCG issues COFR for vessels and floating OCS facilities which store oil. This COFR is in addition to the MMS COFR and addresses the operators financial responsibility for the clean up and damages from oil discharges resulting from non-well related sources and produced oil stored on board the floating OCS facility.

B. Oil spill preparedness and response planning:

1. The MMS, for all facilities seaward of the coast line, requires that responsible parties maintain approved Oil Spill Response Plan (OSRP) consistent with the area contingency plan (ACP); ensures that response personnel receive training; and that response equipment is inspected. The MMS may require unannounced oil spill response drills. The MMS RS will notify the Federal On Scene Coordinator (FOSC) of drills to coordinate participation, and avoid conflict or duplication.

2. The USCG Captain of the Port serves as the pre-designated FOSC in accordance with the National Contingency Plan. The cognizant FOSC will also jointly approve OSRPs for floating OCS facilities which store oil. Participation in MMS drills will be at the discretion of the FOSC. The FOSC will advise the MMS RS of spill response drills and activities occurring offshore.

C. Spill response:

1. All spills are required to be reported to the NRC. The NRC provides notification to the appropriate agencies and state offices. Additionally, offshore facility owners or operators are required to report spills over one barrel to the MMS RS.

2. The FOSC will direct and monitor federal, state, and private actions, consult with affected trustees, and determine removal completion. The MMS RS will direct measures to abate sources of pollution from an offshore facility.

VI. Exchanging Services and Personnel:

To the extent its own operations and resources permit, each Agency will provide the other Agency with assistance, technical advice, and support, including transportation, if requested. Exchange of services and personnel is non-reimbursable (except for pollution removal funding authorizations for incident specific fund access). The assistance may extend to areas beyond the OCS where one Agency's expertise will benefit the other Agency in applying and enforcing its safety regulations.

VII. Other Cooperative Functions:

A. Both agencies will exchange data and study results, participate in research and development projects and exchange early drafts of rulemaking notices to avoid duplicative or conflicting requirements.

B. Both Agencies will review current standards, regulations, and directives and will propose revisions to them as necessary in keeping with the provisions of this MOU.

C. Both Agencies will review reporting and data collection requirements imposed on operators of OCS facilities and, where feasible, eliminate or minimize duplicate reporting and data collection requirements.

VIII. Implementing this MOU:

A. Each Agency will review its internal procedures and, where appropriate, will revise them to accommodate the provisions of this MOU. Each Agency will also designate in writing one senior official who will be responsible for coordinating and implementing the provisions of this MOU.

B. Each agency will designate regional officials to be responsible for coordinating and implementing the provisions of this MOU in their respective regions.

C. The USCG--MMS MOU concerning regulation of activities and facilities in the OCS, dated August 29, 1989, is canceled on the effective date of this agreement.

D. The MOU between the Department of the Interior and the Department of Transportation regarding responsibilities under the National Oil and Hazardous Substances Pollution Contingency Plan, dated August 16, 1971, is canceled on the effective date of this agreement.

E. If new technology (or new uses of current technology) require a change to this MOU, the MMS regional office and appropriate USCG district will work together to solve the situation. The MMS regional office and the USCG district will notify their respective headquarters office of the change. If the MMS regional office and the USCG district office can't solve the situation, it will be elevated to MMS and USCG headquarters. The new policy will become part of a revised MOU the next time the MOU is revised.

IX. Savings Provision:

Nothing in this MOU alters, amends, or affects in any way the statutory authority of MMS or the USCG.

X. Effective Date:

This MOU is effective upon signature. Both parties may amend it by mutual agreement and either agency may terminate it with a 30-day written notice.
Signed at Washington, D.C. this (date).

(signature)	(signature)
Commandant, U.S. Coast Guard	Director,
Department of Transportation	Minerals Management Service
	Department of the Interior